

## Make sure there are enough customers in your target market to meet your goals and attract partners

Many programs that focused on a specific neighborhood or other small geographic areas have found it difficult to generate enough customer interest, partner interest, and upgrade activity to meet program goals. Regional or statewide approaches are often more attractive to contractors, lenders, utilities, and other partners than smaller markets defined by neighborhoods or city boundaries because they align with more typical service territories. Programs have found that larger contractors often are not interested in working in multiple cities or towns that have varying qualifications procedures and incentive rules. Utility partners are often better able to engage with a program offering services across a large segment of their customers. Historically, credit unions, community banks, CDFIs, and national lenders already specializing in energy efficiency loans have been more receptive to partnerships with residential energy efficiency programs.

- [Be SMART Maryland](#) [1] shifted away from a volunteer-driven, neighborhood-by-neighborhood approach in favor of marketing through contractors and local community organizations to a broader geographic area. The program found it difficult to manage marketing and outreach to diverse geographic locations with the neighborhood approach (e.g., volunteer networks were difficult to engage and inconsistent from community to community). The adjustment in marketing strategy and target audience definition expanded Be SMART Maryland's service area, proved to be more effective in generating interested customers, and made the program more attractive to qualified contractors.
- [Community Power Works](#) [2] (CPW) in Seattle found that its geographic scope was too narrowly focused when it first began providing services. At that time, CPW was focused on specific areas of the city, including many low-income neighborhoods. These geographic boundaries limited the number of potential customers, and many residents in these areas did not have the financial ability to invest in energy efficiency upgrades or access financing. CPW achieved significantly higher results once it expanded its geographic scope to the entire city in early 2012, more than doubling the number of eligible households. The expansion of the service territory—along with other program changes, such as simplifying and increasing incentives and offering new financing options—significantly boosted the number of upgrades per month from around 10 per month in late 2011 to around 50 per month in mid-2012. For more information, see Seattle Community Power Works' [Fall 2012 Progress Report](#) [3].
- [Energize Phoenix](#) [4], which focused its program on a central downtown light rail corridor, expanded its service area after a year of operations in late 2011 to increase the number of homeowners eligible for upgrades and unite neighborhoods that the previous boundaries had unintentionally divided. After the program launched, managers realized that the original program boundary, scaled down to better match funding amounts, divided close-knit neighborhoods and didn't correspond to traditional media and market boundaries. The program found that it was hard to target its marketing and outreach only to residents in the service area without also reaching those ineligible for the program. Especially in tight-knit neighborhoods, this created discord over who qualified for the program and who did not. When the program expanded the service area in 2011 to cover entire neighborhoods, it increased its geographic area by 55% and increased the number of eligible residential parcels by 77%. This helped drive an increase in single family and multifamily upgrades in 2012 and 2013. After three years in operation, the program upgraded over 2,000 housing units. For more information on the program and the expansion of its service area, see Energize Phoenix's [Energy Efficiency on an Urban Scale, Year Three Report: Results](#) [5].
- The New Hampshire [Beacon Communities Project's](#) [6] original upgrade goals were based on the state's Climate Action Plan and some general knowledge about the demographics of the three participating communities in the program. As the program began to unfold, however, the program noticed significant differences between the estimated number of projects and the actual level of demand. The projections were likely high because the original estimates were based more on need (i.e., how many buildings the state should upgrade), rather than an analysis of the existing market demand and potential for expansion. By the end of the grant period in 2013, a suite of efforts, including increased marketing and a statewide expansion of its residential program helped the program exceed its revised residential upgrade goals.

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**Source URL:** <https://rpsc.energy.gov/tips-for-success/make-sure-there-are-enough-customers-your-target-market-meet-your-goals-and-attract>

#### **Links**

[1] <http://www.mdhousing.org/Website/Programs/BeSmart/>

[2] <http://www.communitypowerworks.org/>

[3]

<http://www.energy.wsu.edu/Portals/0/documents/Seattle%20Community%20Power%20Works%20Fall%202012%20Progress%20%20Re>

[4] <http://energy.gov/eere/better-buildings-neighborhood-program/phoenix-energizes-light-rail-corridor-upgrades>

[5] [http://sustainability.asu.edu/docs/gios/energize/2013year3/Energize Phoenix-YR3-Report.pdf](http://sustainability.asu.edu/docs/gios/energize/2013year3/Energize%20Phoenix-YR3-Report.pdf)

[6] <http://www.nh.gov/oep/energy/programs/betterbuildings/index.htm>